

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 SEC-01 FTC-01 CIAE-00 DODE-00 PM-04
H-02 INR-07 L-03 NSAE-00 NSC-05 PA-02 PRS-01 SP-02
SS-15 USIA-15 CAB-05 COME-00 DOTE-00 EB-08 FAA-00
JUSE-00 OMB-01 TRSE-00 /085 W
-----050144Z 033979 /14

P 050112Z MAR 77
FM AMEMBASSY OTTAWA
TO SECSTATE WASHDC PRIORITY 2691
INFO AMCONSUL CALGARY
AMCONSUL HALIFAX
AMCONSUL MONTREAL
AMCONSUL QUEBEC
AMCONSUL TORONTO
AMCONSUL VANCOUVER
AMCONSUL WINNIPEG

UNCLAS OTTAWA 01334

E.O. 11652:N/A
TAGS: EAIR, ETRD, MILL, CA, US
SUBJECT: SEC BOEING INVESTIGATION--CANADIAN ASPECTS

REF: OTTAWA 1256, OTTAWA 1265

1. PRIME MINISTER TRUDEAU'S PRESS CONFERENCE OF MARCH 3,
WHICH DEALT WITH BOEING ISSUE, AMONG OTHER THINGS,
RECEIVED EXTENSIVE COVERAGE MORNING PRESS. FOLLOWING IS
TEXT OF LEAD PARAGRAPHS FROM CP ITEM PUBLISHED MARCH 4
TORONTO GLOBE AND MAIL:

QUOTE. PRIME MINISTER PIERRE TRUDEAU SAID YESTERDAY
THE CANADIAN EMBASSY IN WASHINGTON AND THE U.S. EMBASSY
HERE HAVE BEEN ASKED TO FIND OUT IF CANADIANS ARE
INVOLVED IN ANY BOEING AIRCRAFT KICKBACK SCHEME.

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MEANTIME, HE SAID AT A NEWS CONFERENCE, THE GOVERNMENT
WILL PRESUME THAT ITS PUBLIC SERVANTS ARE INNOCENT OF
ANY WRONGDOING.

'FOR THE TIME BEING THE BENEFIT OF DOUBT LIES IN FAVOR
OF INNOCENCE,' HE SAID IN ANSWER TO QUESTIONS ABOUT
INVESTIGATIONS ON BEHALF OF THE U.S. SECURITIES EXCHANGE

COMMISSION ABOUT POSSIBLE KICKBACKS PAID ON SALES OF BOEING AIRCRAFT FROM 1968 ONWARDS TO CANADA AND AIR CANADA AND A LARGE NUMBER OF OTHER COUNTRIES AND COMPANIES.

THE PRIME MINISTER ALSO TOLD A QUESTIONER HE MIGHT LOOK INTO THE POSSIBILITY THAT BOEING MADE A FINANCIAL CONTRIBUTION TO THE LIBERAL PARTY AT THE TIME UNDER EXAMINATION. UNQUOTE.

2. MONTREAL GAZETTE, MARCH 4, FEATURES FRONT-PAGE STORY ON SAME NEWS CONFERENCE WHICH BEGINS: QUOTE. PRIME MINISTER PIERRE TRUDEAU SAID YESTERDAY HE HAS REQUESTED U.S. DIPLOMATIC AID TO DISCOVER IF CANADIANS ARE INVOLVED IN ANY BOEING AIRCRAFT SALES KICKBACK SCHEME.

IN THE MEANTIME, HE TOLD A NEWS CONFERENCE, 'THE BENEFIT OF DOUBT LIES IN FAVOR OF INNOCENCE.' UNQUOTE.

STORY ALSO SAYS: QUOTE. IN OTTAWA, TRUDEAU ALSO TOLD A QUESTIONER HE MIGHT LOOK INTO THE POSSIBILITY THAT BOEING MADE A FINANCIAL CONTRIBUTION TO THE LIBERAL PARTY AT THE TIME UNDER EXAMINATION. UNQUOTE.

3. GLOBE AND MAIL, MARCH 4, ALSO FEATURES FRONT-PAGE STORY BY WASHINGTON REPORTER JOHN PICTON UNDER HEADLINE: "NO NAMES ON LIST OF ALLEGED BOEING PAYOFFS APPEAR TO BE CANADIAN, U.S. OFFICIAL SAYS". ARTICLE QUOTES UNNAMED USG OFFICIAL AS SAYING: QUOTE. THAT UNCLASSIFIED

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HE DOES NOT RECALL SEEING ANY NAMES OF CANADIANS ON A LIST OF 18 NAMES ASSOCIATED WITH ALLEGED PAYOFFS IN THE SALE OF BOEING AIRCRAFT.

'I HAVE READ THE LIST AND NONE OF THEM SOUNDS VERY CANADIAN TO ME,' HE SAID, ADDING: 'BUT HOW CAN YOU TELL?' UNQUOTE. QUOTE. THE OFFICIAL ALSO SAID THAT, THROUGH THE JUSTICE DEPARTMENT, U.S. AUTHORITIES WOULD BE HAPPY TO CO-OPERATE WITH CANADA IN PROVIDING ANY INFORMATION REGARDING THE ALLEGED PAYOFFS, INCLUDING THE NAMES OF ANY INDIVIDUALS CONNECTED WITH SUCH ACTIVITIES IN CANADA.

HOWEVER, THE JUSTICE DEPARTMENT MAY FIRST SEEK AN AGREEMENT WITH OTTAWA FOR AN EXCHANGE OF INFORMATION REGARDING ANY IRREGULARITIES UNCOVERED IN CANADA. UNQUOTE.

4. JOHN SHARPE (DIRECTOR, USA DIVISION, EXTAFF) TOLD TCO MORNING MARCH 4 THERE WERE NO PLANS IN EXTAFF TO MAKE ANY REQUEST OF US EMBASSY OTTAWA. CANADIAN

EMBASSY WASHINGTON IS BEING INSTRUCTED TO NEGOTIATE
ARRANGEMENT WITH US JUSTICE DEPARTMENT WHEREBY
WHATEVER INFO IS AVAILABLE IN WASHINGTON RE CANADIANS
WOULD BE PROVIDED CANADIAN JUSTICE DEPARTMENT FOR
INVESTIGATION AND POSSIBLE ACTION. LEARY

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRESS COMMENTS, BRIBERY, CORRUPTION, AEROSPACE INDUSTRY, TEXT, PRESS CONFERENCES, INVESTIGATIONS
Control Number: n/a
Copy: SINGLE
Sent Date: 05-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770075-1002
Format: TEL
From: OTTAWA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770389/aaaadaiy.tel
Line Count: 121
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: ebb812bd-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 77 OTTAWA 1256, 77 OTTAWA 1265
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 01-Oct-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3195430
Secure: OPEN
Status: NATIVE
Subject: SEC BOEING INVESTIGATION--CANADIAN ASPECTS
TAGS: EAIR, ETRD, MILI, CA, US, BOEING AIRCRAFT CORP, (TRUDEAU, PIERRE-ELLIOTT)
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/ebb812bd-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009